

ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of

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JAN 25 1999

Petition for Rulemaking of  
USA Digital Radio Partners, L.P.  
for Amendment of Part 73 of the  
Commission's Rules to Permit  
the Introduction of Digital Audio  
Broadcasting in the AM and FM  
Broadcast Services

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RM-9395

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**REPLY COMMENTS OF CHASE CAPITAL PARTNERS**

Chase Capital Partners ("CCP"), by its attorneys and pursuant to the Commission's *Public Notice*, DA 98-2244, released November 6, 1998, hereby replies to the comments submitted on December 23, 1998 in the above-captioned proceeding.

The comments reveal broad support for the Petition for Rulemaking (the "Petition") filed by USA Digital Radio, Inc. ("USADR", successor-in-interest to USA Digital Radio, L.P.), which proposes the adoption, inter alia, of an in-band on-channel ("IBOC") digital audio broadcasting ("DAB") technology standard that would permit the simultaneous broadcast of analog and digital signals and thereby expedite the radio broadcasting industry's transition from analog to digital transmission. The commitment by many industry segments to this proposal is reflected in the

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fact that numerous commenters are investors in USADR,<sup>1/</sup> as is CCP.<sup>2/</sup> Many other commenters, although having no direct interest in USADR, express strong support for the Petition<sup>3/</sup> or for the enormous potential of DAB generally to revolutionize radio in the United States.<sup>4/</sup>

CCP urges the Commission to act promptly to release a Notice of Proposed Rulemaking consistent with USADR's Petition and the supporting comments in this proceeding. CCP disagrees with those parties seeking to impede the momentum generated by USADR and other DAB proponents who have expended substantial resources in their efforts to provide advanced broadcasting services.<sup>5/</sup> The record in this proceeding clearly supports the adoption of an NPRM by the Commission.

Many details of the ultimate IBOC DAB standard remain unresolved; nonetheless, there is nearly unanimous agreement among the commenting parties that the public interest will be

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<sup>1/</sup> See, e.g., Comments of Radio One, Inc.; Comments of CBS Corporation; Comments of Cumulus Media, Inc.; Comments of Clear Channel Communications, Inc.

<sup>2/</sup> CCP is the general partner of Chase Equity Associates, L.P., which holds a minority interest in USADR. CCP is a global private equity organization with approximately \$7 billion under management. CCP's sole limited partner is The Chase Manhattan Corporation, one of the largest bank holding companies in the United States.

<sup>3/</sup> See, e.g., Comments of the National Association of Broadcasters; Comments of The Walt Disney Company on behalf of its subsidiary ABC, Inc.

<sup>4/</sup> See, e.g., Comments of Lucent Technologies Inc.; Comments of Ford Motor Company; Comments of the Consumer Electronics Manufacturers Association.

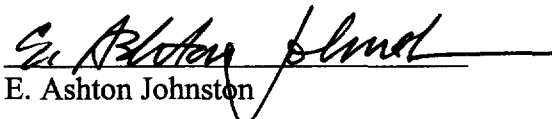
<sup>5/</sup> See Comments of Greater Media, Inc. at 12; Comments of Citizens' Media Corps; Comments of Big City Radio, Inc. at 2-4; Comments of National Public Radio at 3-4, 5-6.

served by the introduction of terrestrial DAB within the United States.<sup>6/</sup> As noted by Lucent, consumer awareness of and demand for DAB already is strong.<sup>7/</sup> The proponents of IBOC DAB are eager to proceed, and have provided the Commission with a viable plan for the transition to digital broadcasting. The initial step, which should be taken without delay, is the release by the Commission of an *NPRM* concluding that IBOC DAB is the best means to introduce DAB in the U.S. and that a single IBOC system should be selected as the U.S. transmission standard.

WHEREFORE, the foregoing premises duly considered, CCP requests that the Commission promptly issue a Notice of Proposed Rulemaking consistent with the USADR Petition for Rulemaking.

Respectfully submitted,

**CHASE CAPITAL PARTNERS**

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WDC-106897v1

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<sup>6/</sup> To CCP's knowledge, no party seriously questions that a terrestrial DAB system will benefit consumers and broadcasters and promote competition among advanced digital services.

<sup>7/</sup> Comments of Lucent at 5.

**CERTIFICATE OF SERVICE**

I, Shandila Collins, a secretary with the law firm of Paul, Hastings, Janofsky & Walker LLP, certify that on this 25th day of January 1999 I caused a true and correct copy of the foregoing "Reply Comments of Chase Capital Partners" to be sent via United States mail, first class postage prepaid, addressed to the following:

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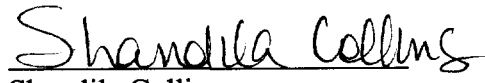
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